

**Minutes**  
**LEGISLATIVE AUDIT COMMISSION**  
**February 13, 2017**

Members Present:

Representative Connie Bernardy  
Representative Sondra Erickson  
Representative Rick Hansen  
Representative Tina Liebling  
Representative Nels Pierson  
Representative Duane Quam  
Senator Michelle Benson  
Senator Nick A. Frenz  
Senator Mary Kiffmeyer  
Senator Matt D. Klein  
Senator Ann H. Rest

Members Absent:

Senator Warren Limmer

Representative Erickson, 2015-2016 Chair, called the Legislative Audit Commission (LAC) meeting to order at 1:04 p.m. The purpose of the meeting was to elect new officers of the LAC as required by law. A quorum was present.

Representative Erickson requested nominations for chair. Senator Benson nominated Senator Kiffmeyer. Receiving no other nominations, the motion passed unanimously by a voice vote.

Senator Kiffmeyer assumed the chair and requested nominations for vice chair. Representative Erickson nominated Representative Hansen. Receiving no other nominations, the motion prevailed.

Senator Kiffmeyer told members that she would be making appointments to the LAC subcommittees (Audit, Evaluation, and Executive subcommittees) very soon.

Senator Kiffmeyer said that a letter requesting topic suggestions from legislators would be going out the same week. She asked Jim Nobles, Legislative Auditor, to explain the schedule for finalizing topics. Mr. Nobles deferred to Judy Randall, Deputy Legislative Auditor for the Program Evaluation Division. Ms. Randall explained the schedule as follows: (1) deadline for suggesting topics is March 10, (2) subcommittee will cut list of topics down to 12-15 semi-finalists, (3) survey will be sent to all legislators to gauge interest in semi-finalist topics, (4) deadline for survey results is March 31, and (5) Topic Selection Subcommittee meeting will be held by April 7 to select final topics to be approved by the full commission, which will meet after the subcommittee meeting.

Senator Rest asked about this year's reports. Ms. Randall said the following:

- *Perpich Center for Arts Education* had been released on January 19
- *Minnesota Research Tax Credit* had been released on February 9
- *Home- and Community-Based Services: Financial Oversight* would be released on February 21
- *Standardized Student Testing* would be released around the end of the month
- *Clean Water Fund Outcomes* and *Minnesota State High School League* would be released in early March

Ms. Randall reminded the commission that *Minnesota Statutes* 2016, 3.9735, requires the Office of the Legislative Auditor (OLA) to annually evaluate an economic development incentive program, and that last year the commission had chosen the topic themselves instead of having legislators vote on possible topics. Senator Kiffmeyer said that she wants to continue letting the LAC make this choice.

Mr. Nobles said that since there were new members of the commission, he wanted to take a minute to explain that there is more to OLA than just the Program Evaluation Division. He said there is a Financial Audit Division that has 34 accountants and CPAs, who annually audit the state's financial statements and complete internal control and compliance audits as well. He also said that the Legislative Auditor has statutory authority to initiate investigations and special reviews. He reminded the commission that members do not receive copies of reports until they are released, but that they can receive briefings prior to the release date.

In response to a question from Representative Liebling, Mr. Nobles said that OLA's budget goes through the State Government Finance committees like other agencies' budgets.

Since there were new members to the commission, Senator Kiffmeyer asked everyone to introduce themselves.

With no further business, Senator Kiffmeyer adjourned the meeting at 1:30 p.m.

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Senator Mary Kiffmeyer, Chair

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Shelly Gilb, Recording Secretary